

» By Amanda Blennerhassett

To go green or not to go green in the organic industry

Many organic companies are questioning what they can do to improve their environmental performance and to leverage their organic and environmental credentials in the marketplace. With the Australian market for Lifestyles of Health and Sustainability (LOHAS) valued at \$15bn and growing by \$3bn between 2007 and 2008 (Living LOHAS 2, Mobium Group), the demand for environmentally responsible goods and services is increasing and represents a great opportunity for the organic sector whose fundamental farming principles foster environmental sustainability.

Numerous studies have shown the environmental benefits of organic versus conventional farming methods, however being organically farmed alone does not necessarily make the end product 'green'. We have to review the entire lifecycle of the product to determine its environmental footprint and therefore what claims can be made about it.

Best practice dictates that environmental sustainability covers the whole lifecycle of your business, product or service; that you measure it, actively work to reduce negative environmental impacts year on year and where possible gain accreditation to substantiate any claims you make.

In the food industry for example, the environmental footprint of a product must

also take into account the individual lifecycles of all ingredients and inputs covering everything from where and how ingredients are grown, to their processing, to their freight, to how they are sold, to their packaging disposal. It must account for all inputs such as energy and fuel emissions, water usage and waste.

Ultimately the goal of going green is to continually reduce impact across all areas by being innovative and resourceful and doing things smarter. This will often save you money and make it easier for your customers and staff to then choose to 'do the right thing'.

Being authentic

If you are truly committed to responsible capitalism then there has never been a better time to develop your green positioning. Research has shown that while health reasons like avoiding chemicals remain the top reasons that consumers buy organic, enviro-friendliness is a key supporting reason for consumers paying a price premium and feeling good about the purchase. It has also shown that you are more likely to attract and retain LOHAS-minded employees that do not want to leave their principles at the door when they enter the workplace. What's more, business-to-business purchasing increasingly requires

Numerous studies have shown the environmental benefits of organic versus conventional farming methods, however being organically farmed alone does not necessarily make the end product 'green'.

green credentials from suppliers.

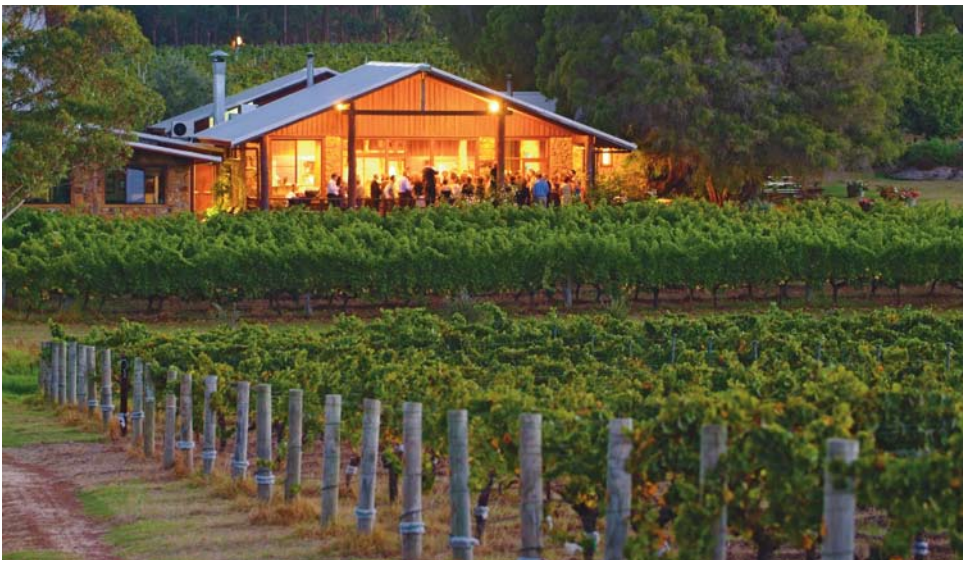
However it is important to understand what is at stake and what is expected of you by customers and regulators to ensure you do not fall into the all-too-familiar habit of greenwashing.

Greenwashing is basically about opportunism. The term was coined twenty years ago by an American environmentalist who criticized the hotel industry for requesting that guests re-use towels to preserve the environment. This exercise was saving the hotels money, while making no other attempts to improve environmental performance in areas such as waste management as it added cost. Nowadays we see this term applied when a brand overstates the benefits of its products, conveniently points to good performance while masking areas of poor performance, or alludes to environmental performance, through the use of imagery, words and symbols, which is not actually backed up by solid evidence.

Certified organic companies are in all likelihood well aware of the importance of providing proof of product integrity to the customer via the ACO or other logo, and of the confusion and damage caused for the industry by the cowboys that bend the rules of best practice. Unfortunately the increase in 'suddenly green' brand makeovers and flimsy green claims is leading to an increase in consumer scepticism and general mistrust of green marketing in general. Therefore, in green marketing it is important to understand the full spectrum of environmental sustainability when considering it as a brand strategy or when making claims, to avoid not only greenwashing and the



Pitango Innovation Cuisine has CarbonZero accreditation program for all of its products, actively reducing greenhouse gas emissions for realising business benefits.



risk of the heavy hand of the ACCC but damaging your brand's reputation and that of the green movement at large.

Going Green

Avoiding greenwashing starts with thoroughly examining your own backyard. There are a lot of dos and don'ts when you start a sustainability journey but here are a few pointers from experience.

• Do make environmental sustainability a pillar of your business

Numerous case studies have shown that to be effective, an environmental business policy must operate from the top down and engage staff, so that management walks its talk and so that sustainability is infused into the organisational culture and everyday approach to business. Otherwise, all too soon, operational or financial decisions arise that test your environmental mettle. If management is not committed the policy will buckle in the short-term interests of cost reduction or speed and your more observant and concerned staff and customers will notice.

People can become inspired by the idea of environmental sustainability but then find that it actually does take some effort and can involve some upfront investment (that may well later be recouped in savings). As a business owner or manager, the most important thing to consider if you are thinking about 'going green' is; do I have the ability to follow this through?

• Do consider a sustainability audit

Realistically, if sustainability is important to the ethos of your organisation, do consider a sustainability audit for your business or at least try to continually reduce your environmental impact via reduction of your energy, waste and water requirements. Auditors will suggest simple things that make a difference now and in the longer-term that you can consider as opportunity permits. If you have a more complex business, you can break the audit process up into stages.

For example, for your office they might suggest putting timers on equipment like photocopiers and double-sided printing but also make larger-scale recommendations like rezoning lighting or air-conditioning. Conducting a basic audit doesn't have to cost you anything. Most state governments have free sustainability resources for business such as Victoria's Grow Me the Money, so check with your state government.

• Do review what you are purchasing, the volume and from whom

You can conduct a purchasing audit or just take it one order at a time but start by switching off the auto-pilot and questioning your suppliers and your own decision-making.

For example, ask your freight or packaging companies what they are already doing to improve their performance. You may well find that your suppliers are already working on their environmental performance and your brand can benefit by association. If not, request them to consider how they could improve or consider other suppliers. Another example is when developing, changing or re-ordering materials – ask the questions – can this be cost-effectively and sustainably sourced?



Can it be sourced locally? Can I reduce the thickness or size or number of components? Can it be recycled? Is there a better alternative to this material? Do my staff or customers have clear instructions for responsible disposal so they know what to do with it?

You may be pleasantly surprised, or you may find it is not possible or really too expensive; however, whatever the outcome you will be making the decision consciously, you can continually monitor and improve your supply chain and you will be prepared if you are asked the question by your customers.

These steps are building blocks that create a strong foundation to leverage your green credentials in your marketing to customers and consumers and strengthen the environmental sustainability aspect of your organic philosophy. It is truly a journey of continuous improvement and as long as you are taking action, understand and are open about where you perform well and where you need to improve, stakeholders will generally forgive you for not having it all perfect all at once.

Ultimately, as a part of the supply chain, when we make more sustainable choices we empower so many customers and consumers to make better, more environmentally friendly product choices and the satisfaction is even greater when it has a healthy impact on your bottom line.

There are loads of helpful resources that provide further information:

For state government tips on reducing your environmental footprint try:

- NSW: www.livingthing.net.au
- VIC: www.growmethemoney.com.au
- QLD: ecoBiz www.epa.qld.gov.au

For more information on making green claims:

- www.greencapital.org.au (Green Marketing Snapshot)
- www.tec.org.au (The Green Cred Checklist)
- www.terrachoice.com (Six Sins of Greenwashing)
- www.accc.gov.au (Green Marketing and the Trade Practices Act)



Amanda Blennerhassett has ten years' experience in sales and marketing in the 'fast moving consumer goods' industry with a passion for and specialization in the organic, wellness and sustainability sectors. Amanda is currently owner of her own consulting business offering marketing and communications strategy and management services for Small to Medium Enterprises.